

An Update on the State of Michigan's Hospitality Industry



One Year Later



CLOSED

**RESTAURANTS
PERMANENTLY
CLOSED**

3,000

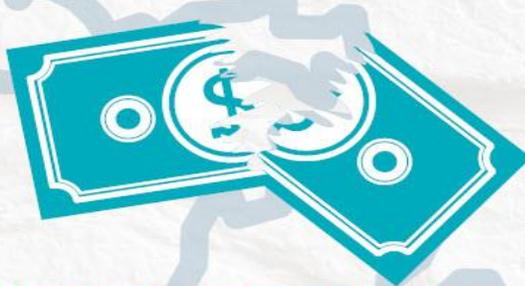
**RESTAURANT
SALES DOWN**

57%



**HOSPITALITY
INDUSTRY
JOBS LOST**

229,400

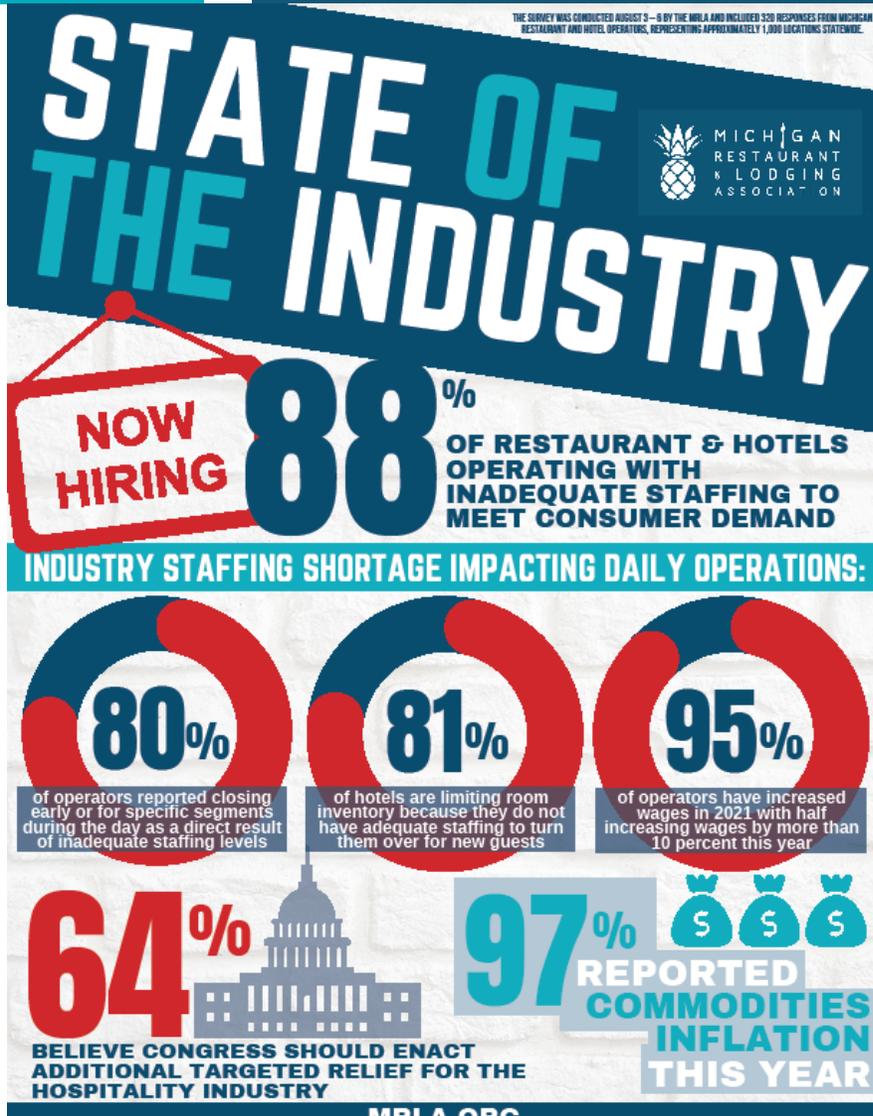


**MORE THAN TWICE
THE NATIONAL
AVERAGE LOSS
OF 26%**

**HOTEL REVENUE
DECREASED BY**

\$1.1B

Labor Issues



- ✓ 80% of operators reported closing early or for specific segments of during the day as a direct result of inadequate staffing levels
- ✓ 81% of hotels are limiting room inventory because they do not have adequate staffing to turn them over for new guests
- ✓ 95% of operators have increased wages in 2021 with half increasing wages by more than 10% this year
- ✓ In August, across the United States, restaurants lost 41,000 jobs. Overall, the economy saw a net gain of 235,000 in August alone.

Product Cost Increases

FOOD ITEM	2019 PRICE PER CASE	CURRENT PRICE PER CASE	PERCENTAGE INCREASE
Bacon	\$53.77	\$119.00	121%
Potatoes	\$24.90	\$47.56	91%
Butter	\$21.72	\$37.09	71%
Corned Beef	\$101.37	\$159.24	57%
Fryer Oil	\$18.61	\$42.73	130%

Consumer Behavior

- ❖ Due to the rise in confirmed Delta variant cases 6 in 10 adults their plans to utilize a restaurant
- ❖ Due to the Delta variant 9% canceled plan to dine in a restaurant. 19% stopped dining in restaurants altogether
- ❖ 69% are likely to take fewer trips and 65% are likely to take shorter trips
- ❖ 55% are likely to postpone existing travel plans until a later date
- ❖ 72% are likely to only travel to places they can drive to
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- ❖ 70% are likely to travel with smaller groups